



Attorney General
STATE CAPITOL
Phoenix, Arizona 85007

Robert R. Corbin

September 15, 1980

LAW LIBRARY
ARIZONA ATTORNEY GENERAL

Ms. Janice M. Urbanic
Deputy County Attorney
Office of the County Attorney
Yavapai County Courthouse
Prescott, Arizona 86301

Re: I80-165 (R80-177)

Dear Ms. Urbanic:

We have reviewed your letter dated August 4, 1980 to the Superintendent of Prescott Unified School District concerning the acceptance and administration of a trust bequest. We concur with your conclusion that A.R.S. § 15-422.A.18 authorizes a school district governing board to accept a trust bequest on behalf of the school district. However, this presumes that the terms of the trust do not conflict with State or Federal law. As your opinion points out, the proper fund in which to place a trust bequest pursuant to A.R.S. § 15-442.A.18 is to be as designated in the Uniform System of Financial Records.

Sincerely,

Bob Corbin

BOB CORBIN
Attorney General

BC:MAP:eb



8-6-80 *pc*
POLLARD
R80- 177

OFFICE OF

County Attorney

YAVAPAI COUNTY COURTHOUSE
PRESCOTT, ARIZONA 86301
445-7450 EXT. 208

CARL H. COAD
DEPUTY
STEVEN B. JAYNES
DEPUTY
LUNDA J. POLLOCK
DEPUTY
JAMES H. LANDIS
DEPUTY
TERI DETTMER
DEPUTY

August 4, 1980

EDUCATION OPINION
ISSUE NO LATER THAN
10-6-80

Dr. Ken Walker, Superintendent
Prescott Unified School District
P. O. Box 1231
Prescott, Arizona 86302

Dear Dr. Walker:

You have requested an opinion concerning the appropriateness of the Board of Trustees of the Prescott Unified School District No. 1 accepting and administering a five thousand dollar (\$5,000) trust bequest for the benefit of Prescott High School students. In addition, you wish to ascertain the proper fund in which to place the trust bequest if it's acceptance is appropriate.

A review of statutory provisions and attorney general opinions provides no statute or opinion directly on point in the matter of bequests or gifts in trust to a school district. However, A.R.S. §15-442(A)(18) does provide that the board of trustees shall:

Deposit all monies received by the district as gifts, grants, devises and bequests with the county treasurer who shall credit the deposits as designated in the uniform system of financial records. If not inconsistent with the terms of the gifts, grants, devises and bequests given, any balance remaining after expenditures for the intended purpose of the monies have been made shall be used for reduction of school district taxes for the budget year.

I believe A.R.S. §15-442 (A)(18) applies to trust bequests, and advise that the board of trustees may accept the trust bequest on behalf of the school district. It should be noted that upon acceptance of a trust bequest, the board of trustees of the school district become the trustees of the trust funds, and, thus are assuming fiduciary responsibilities for the trust's proper administration. Although A.R.S. §15-442 does not specifically provide

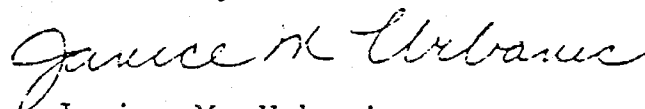
Dr. Ken Walker, Superintendent
August 4, 1980
Page Two

that the board of trustees may assume such fiduciary responsibility, it is my opinion that the ability to do so is implied in the language of A.R.S. §15-442(A)(18).

As for the proper fund in which to place the trust bequest, I believe that under the Uniform System of Financial Records, the school district must deposit the trust bequest in the district's gift account at the County Superintendent's office. The County Treasurer shall then receive and hold such funds as prescribed by A.R.S. §15-1231.

Please feel free to call me if you have any questions on this matter. A copy of this letter is being sent to the Attorney General's office pursuant to A.R.S. §15-122(B).

Sincerely,



Janice M. Urbanic
Deputy County Attorney

JMU:ab

cc: Dr. Eugene Hunt
Marilyn Pollard